

**EMERALD MORTGAGES NO 5 LTD. INVESTOR REPORT**

From: EBS Limited  
 Month Ending: 30 April 2013  
 Interest Payment Date: 15 May 2013

**INVESTOR CONTACTS**

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**DETAILS OF NOTES ISSUED**

Class of Notes	Reference	Original Rating Fitch / Moodys	Original Tranche Balance (Euro)	Original Interest Rate	Post Amendment Rating Fitch / Moodys	Current Rating Fitch/Moody	Post Amendment Tranche Balance (Euro)	Post Amendment Interest Rate	Final Maturity
A Notes <sup>1</sup>	XS0352154503	N/R / Aaa	2,375,000,000.00	1 month Euribor +0.70%	AA- / A1	AA- / Baa1	1,529,604,525.15	Fixed 1.75%	2050
B Notes	XS0352155146	N/R / Baa3	125,000,000.00	1 month Euribor +1.25%	N/R / N/R	N/R / N/R	125,000,000.00	Fixed 0.25%	2050

**DEAL INFORMATION**

Issue Date	20 March 2008
First Distribution Date	15 May 2008
Deal Amendment Date	23 February 2011
Minimum Denominations	€100,000.00
Payment Frequency	Monthly
Interest Calculation (pre amendment)	Actual / 360
Interest Calculation (post amendment)	Actual / Actual

**THIS REPORT**

Interest Period Start Date	15 April 2013
Interest Period End Date	15 May 2013
No of days in Interest Period	30
Next Payment Date	15 June 2013

## EMERALD MORTGAGES NO 5 LTD. INVESTOR REPORT

### PRINCIPAL PAYMENT ON NOTES

Class of Notes	Original Balance Euro	% of Bonds	Opening Balance Euro	% of Bonds	Amortisation Euro	Closing Balance Euro	% of Bonds
A Notes <sup>2</sup>	2,375,000,000.00	95.00%	1,197,827,601.88	90.55%	(10,318,251.61)	1,187,509,350.27	90.48%
B Notes	125,000,000.00	5.00%	125,000,000.00	9.45%	0.00	125,000,000.00	9.52%
<b>Total</b>	<b>2,500,000,000.00</b>	<b>100%</b>	<b>1,322,827,601.88</b>	<b>100%</b>	<b>(10,318,251.61)</b>	<b>1,312,509,350.27</b>	<b>100%</b>

### INTEREST PAYMENT ON NOTES

Class of Notes~	Reference	Rate	No of days	Interest due Euro	Interest paid Euro	Unpaid Interest	Cumulative Unpaid
A Notes	XS0352154503	Fixed 1.75%	30	1,747,050.00	1,747,050.00	0	0
B Notes *	XS0352155146	Fixed 0.25%	30	26,050.00	-	26,050	758,275

~ Calculations are based on denominations of 50,000 with the interest amount rounded to 2 decimal places.

\* No interest will be paid on the Class B notes due the "deemed loss" feature that was introduced at deal amendment date. i.e., while Class A bonds are outstanding the new waterfall structure allows for revenue to reduce any balance on the principal deficiency ledgers prior to interest being paid on the Class B bonds.

### CREDIT ENHANCEMENT AND LIQUIDITY FACILITIES

	Provider	Balance at Closing	Balance at Amendment Date	Balance at Start of Month	Repayments/Drawings in Month	Replenished in Month	Balance at Close of Month	Balance Required	Deficit
Class Z Loan <sup>3</sup>	EBS	n/a	358,033,007.94	358,033,007.94	0.00	0	358,033,007.94	n/a	0
Reserve Fund <sup>4</sup> *	EBS	93,750,000.00	30,189,563.00	20,126,375.33	0.00	0	20,126,375.33	20,126,375.33	0
Liquidity Reserve <sup>5</sup>	EBS	n/a	0	n/a	0.00	0	n/a	n/a	0
Liquidity Facility <sup>6</sup>	EBS	50,000,000.00	0	-	0.00	0	0	n/a	0

\*In February 2012, following a change in the Clearing Account provider, the Reserve Fund has been reduced to 1% of the Principal Amount Outstanding of the Bonds and the principal balance of the Class Z loan at the Amendment Date

### DETAILS OF SWAP<sup>7</sup>

SWAP Provider	Notional Balance at Start EUR	Movement at IPD EUR	Notional Balance at End EUR
EBS – Moody's Rating Baa3/P-3 (at amendment date)	n/a	n/a	n/a

### MORTGAGE INSURANCE RECEIPTS

MIG settlement #1	451,277
MIG settlement #2	550,740
MIG settlement #3	1,818,835
MIG settlement #4	771,401
MIG settlement #5	710,836
Less applied funds	0
<b>Net Total</b>	<b>4,303,090</b>

Monies received from an agreed settlement of mortgage indemnity insurance. These monies reside in the reserve account and will only be applied upon sale of a property that was covered under the settlement.

### NOTES

- Class A originally issued at Euribor + 0.70% but converted to fixed rate at 1.75% on February amendment date 2011.
- Amortisation of A Notes of €378,36m on February amendment date 2011.
- Class Z loan of €358.03m issued on February amendment date 2011.
- Reserve fund was reduced from €93.75m to €30.19m on February amendment date 2011. It was further reduced to €20.13m in February 2012 on transfer of the clearing account.
- Liquidity reserve was cancelled on February amendment date 2011.
- Liquidity facility was cancelled on February amendment date 2011.
- SWAP terminated on February amendment date 2011. Class A bonds converted to fixed rate coupon.

**EMERALD MORTGAGES NO 5 LTD. INVESTOR REPORT**

**REVENUE ANALYSIS**

	EUR
Revenue Receipts	4,815,791.97
<i>Principal receipts on True Loss &amp; Deemed Loss Loans</i>	41,643.62
Interest on Bank Accounts	-
Drawing from Reserve Fund	-
Other Net Income	-
Available Redemption Funds to Cover Revenue Deficiency	-
Excess Redemption Funds	-
<b>Available Revenue Funds</b>	<b>4,857,435.59</b>

**ALLOCATION OF AVAILABLE FUNDS**

	EUR
Trustee Fees	
Paying Agent, Corporate Servicer, Account Bank + Other 3rd Party Prior Payments	(43,299.82)
Servicer + Cash Manager Fees	(177,369.64)
Class A Notes Interest	(1,747,050.00)
Class A Principal Deficiency Ledgers	0.00
Reserve Fund up to Required Amount	0.00
Class B Principal Deficiency Ledgers (Class A notes outstanding)	0.00
Class Z Principal Deficiency Sub-Ledger (Class A notes outstanding)	(2,889,716.12)
Class B Note Interest	0.00
Class B Principal Deficiency Ledgers (Class A notes redeemed)	0.00
Class Z Loan Interest	0.00
Class Z Principal Deficiency Ledger (Class A notes redeemed)	0.00
Subordinated Loan Interest	0.00
Subordinated Loan Principal	0.00
Deferred Consideration	0.00
<b>Total Allocation</b>	<b>(4,857,435.58)</b>
Excess Retained	0.00

**PRINCIPAL DEFICIENCY LEDGER**

	Opening Balance	Losses & Deemed Losses*	Total Credited	Closing	Cumulative Losses/	Cumulative Losses/
		Allocated this Period	this Period	Balance	Revenue Deficiency Allocated	Revenue Deficiency Paid
A Notes	0	0	0	-	0	0
B Notes	0	0	0	-	0	0
Z Loan	93,593,067.23	5,916,006.53	2,889,716.12	96,619,357.64	202,868,358.94	106,249,001.30

Principal Recovered from Mortgage Loans Debited to the Principal Deficiency Ledger	
This Period	Cumulative
0	0
41,643.62	1,604,228.39

\*Deemed Loss means in respect of a Mortgage Loan (without double counting): (i) the principal balance outstanding of such Mortgage Loan where the ratio between amounts due and unpaid by the scheduled interest and principal instalments for such Mortgage Loan exceeds an amount equal to the aggregate of 12 months of scheduled interest and principal instalments for such loan; (ii) if enforcement proceedings are completed, the principal balance of such Mortgage Loan prior to the application of realisation proceeds; and (iii) any principal loss arising as a result of the exercise of set-off by a Mortgage Borrower against the Seller in respect of any Mortgage Loan which has not been repurchased by the Seller.

**EMERALD MORTGAGES NO 5 LTD. INVESTOR REPORT**

**AVAILABLE PRINCIPAL FUNDS**

	EUR
Principal Receipts Received	7,470,179.11
Less Principal Receipts on Deemed Loss Loans	(41,643.62)
Credit Class A, B + Z Principal Deficiency Ledger	2,889,716.12
Other Net Income *	-
Less Amount to pay a Revenue Deficiency	0
<b>Total Redemption Funds</b>	<b>10,318,251.61</b>

\*Note: Loans repurchased by EBS in December 2012

**ALLOCATION OF AVAILABLE FUNDS**

	EUR
Principal Class A Notes	(10,318,251.61)
Principal Class B Notes (Class A notes redeemed)	0.00
Principal Class Z Loan (Class A notes redeemed)	0.00
Excess as Available Revenue Receipts	0.00
<b>Total Allocation of Principal Receipts</b>	<b>(10,318,251.61)</b>

**POOL PERFORMANCE: Arrears Calculations**

*April M/E*

	Principal Balance Amount	% Principal Balance	MOM Change %	Number	% Number	MOM Change
A. < 1 Payment	1,387,413,830	78.16%	-0.45%	13,135	82.72%	-0.23%
B. 1 - 3 Payments in Arrears	73,559,833	4.14%	1.72%	574	3.61%	-2.70%
C. 3 - 6 Payments in Arrears	49,417,296	2.78%	-4.14%	381	2.40%	1.27%
D. 6 - 9 Payments in Arrears	42,808,196	2.41%	1.26%	280	1.76%	-1.12%
E. 9 - 12 Payments in Arrears	37,038,601	2.09%	1.46%	237	1.49%	-0.67%
F. 12 - 15 Payments in Arrears	27,905,855	1.57%	-3.68%	201	1.27%	0.79%
G. 15 - 18 Payments in Arrears	26,333,695	1.48%	22.31%	174	1.10%	17.02%
H. 18+ Payments in Arrears	130,539,821	7.35%	1.66%	897	5.65%	1.99%
<b>Total</b>	<b>1,775,017,126</b>	<b>100.00%</b>	<b>0.00%</b>	<b>15,879</b>	<b>100.00%</b>	<b>0.00%</b>

*March M/E*

	Principal Balance Amount	% Principal Balance	Number	% Number
A. < 1 Payment	1,399,440,419	78.51%	13,210	82.91%
B. 1 - 3 Payments in Arrears	72,602,879	4.07%	591	3.71%
C. 3 - 6 Payments in Arrears	51,769,668	2.90%	377	2.37%
D. 6 - 9 Payments in Arrears	42,442,458	2.38%	284	1.78%
E. 9 - 12 Payments in Arrears	36,663,124	2.06%	239	1.50%
F. 12 - 15 Payments in Arrears	29,113,931	1.63%	201	1.26%
G. 15 - 18 Payments in Arrears	21,624,668	1.21%	149	0.94%
H. 18+ Payments in Arrears	128,827,246	7.23%	882	5.54%
<b>Total</b>	<b>1,782,484,394</b>	<b>100.00%</b>	<b>15,933</b>	<b>100.00%</b>

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**MORTGAGE PORTFOLIO ANALYSIS**

	<b>At end of Month (Euro)</b>	<b>Cumulative (Euro)</b>
<b>Opening Mortgage Principle Balance</b>	1,783,331,733.37	2,500,000,000.00
<b>Principal Losses</b>		(9,099.28)
<b>Early Redemptions</b>	(1,283,225.33)	(474,612,526.59)
<b>Scheduled Principal Payments</b>	(6,186,953.78)	(232,696,880.64)
<b>Capitalised Arrangements</b>	6,836.35	1,267,015.03
<b>Principal Repurchase</b>	0.00	(18,080,117.91)
<b>Closing Mortgage Principal Balance</b>	<b>1,775,868,391</b>	<b>1,775,868,391</b>

	<b>Previous Month</b>	<b>Current Month</b>
<b>Weighted average interest rate</b>	3.89%	3.89%
<b>Annualised CPR*</b>	0.48%	0.88%

\* Annualised CPR is based on current month unscheduled repayments annualised. Taking scheduled repayments into account, the amortisation rate for the current month is 4.54%.

**DEAL PARTICIPATION INFORMATION**

		<b>Minimum Rating per documentation</b>	<b>Current Rating</b>	<b>Rating Satisfied</b>
<b>Bank Account Provider</b>	BNP Paribas	Fitch F1+ and Moody's P-1	Fitch F1+ and Moody's P-1	Yes
<b>Clearing Account Provider</b>	BNP Paribas	Fitch F1+ and Moody's P-1	Fitch F1+ and Moody's P-1	Yes
<b>Servicer</b>	EBS Limited	Fitch BBB- and Moody's Baa3	Fitch BBB- and Moody's Ba2	No**
<b>Cash Manager</b>	EBS Limited	Fitch BBB- and Moody's Baa3	Fitch BBB- and Moody's Ba2	No***
<b>Corporate Servicer</b>	EBS Limited	~	~	~
<b>Back Up Cash Manager</b>	Deutsche Bank	~	Moody's Aa3	~
<b>Back Up Mortgage Servicer</b>	Crown Mortgage Services Ltd.	~	~	~

\*\* A back-up servicer, Crown Mortgage Services has been appointed.

\*\*\* A back-up cash manager, Deutsche Bank, has been appointed.

<b>Note Trustee</b>	Citicorp Trustee Company Ltd.
<b>Security Trustee</b>	Citicorp Trustee Company Ltd.
<b>Paying Agent</b>	Citibank
<b>Listing</b>	Irish Stock Exchange

EMERALD MORTGAGES NO 5 LTD. INVESTOR REPORT

EMERALD 5 STRATIFICATION TABLES

1. Loan Size

Principal Balance Amount Band	Principal Balance Amount	Principal Balance %	Number	Number %
A. <= 100k	374,698,160	21.11%	8,807	55.46%
B. 100 - 200k	616,145,858	34.71%	4,144	26.10%
C. 200 - 300k	549,671,610	30.97%	2,287	14.40%
D. 300 - 400k	173,725,361	9.79%	522	3.29%
E. 400 - 500k	34,480,674	1.94%	78	0.49%
F. > 500k	26,295,463	1.48%	41	0.26%
<b>Total</b>	<b>1,775,017,126</b>	<b>100.00%</b>	<b>15,879</b>	<b>100.00%</b>

Weighted Average Loan Size:

192,589.07

2. Original LTV

Original LTV Band	Principal Balance Amount	Principal Balance %	Number	Number %
A. 0% < OLTV <= 25%	15,754,035	0.89%	511	3.22%
B. 25% < OLTV <= 50%	133,062,178	7.50%	2,810	17.70%
C. 50% < OLTV <= 55%	39,673,079	2.24%	664	4.18%
D. 55% < OLTV <= 60%	44,866,767	2.53%	718	4.52%
E. 60% < OLTV <= 65%	50,430,297	2.84%	720	4.53%
F. 65% < OLTV <= 70%	63,722,966	3.59%	790	4.98%
G. 70% < OLTV <= 75%	80,432,684	4.53%	911	5.74%
H. 75% < OLTV <= 80%	87,875,011	4.95%	900	5.67%
I. 80% < OLTV <= 85%	162,825,307	9.17%	1,226	7.72%
J. 85% < OLTV <= 90%	394,508,387	22.23%	2,694	16.97%
K. 90% < OLTV <= 95%	697,706,142	39.31%	3,893	24.52%
L. 95% < OLTV <= 100%	993,746	0.06%	13	0.08%
N. 105% < OLTV <= 110%	133,940	0.01%	2	0.01%
O. OLTV > 110%	3,032,586	0.17%	27	0.17%
<b>Total</b>	<b>1,775,017,126</b>	<b>100.00%</b>	<b>15,879</b>	<b>100.00%</b>

Weighted Average Original LTV:

81.19%

EMERALD MORTGAGES NO 5 LTD. INVESTOR REPORT

3. Loan to Indexed Value\*

Pool LTV Band	Principal Balance Amount	Principal Balance %	Number	Number %
A. 0% < LTV <= 25%	79,274,356	4.47%	3,146	19.81%
B. 25% < LTV <= 50%	143,003,894	8.06%	2,588	16.30%
C. 50% < LTV <= 55%	25,959,408	1.46%	361	2.27%
D. 55% < LTV <= 60%	24,397,285	1.37%	316	1.99%
E. 60% < LTV <= 65%	27,967,250	1.58%	326	2.05%
F. 65% < LTV <= 70%	30,811,022	1.74%	357	2.25%
G. 70% < LTV <= 75%	34,906,427	1.97%	377	2.37%
H. 75% < LTV <= 80%	31,446,996	1.77%	316	1.99%
I. 80% < LTV <= 85%	41,367,967	2.33%	403	2.54%
J. 85% < LTV <= 90%	39,928,202	2.25%	364	2.29%
K. 90% < LTV <= 95%	47,433,177	2.67%	404	2.54%
L. 95% < LTV <= 100%	47,910,726	2.70%	400	2.52%
M. 100% < LTV <= 105%	51,295,067	2.89%	407	2.56%
N. 105% < LTV <= 110%	61,068,609	3.44%	434	2.73%
O. 110% < LTV <= 120%	138,236,072	7.79%	913	5.75%
P. 120% < LTV <= 130%	160,948,737	9.07%	944	5.94%
Q. LTV > 130%	789,061,929	44.45%	3,823	24.08%
<b>Total</b>	<b>1,775,017,126</b>	<b>100.00%</b>	<b>15,879</b>	<b>100.00%</b>

Weighted Average Loan to Indexed Value 115.72%

\*Previously based on ERSI/PTSB price index. The ERSI/PTSB ceased to be applied monthly from December 2009, from which time a quarterly update was applied up to December 2010. From December 2010 the ERSI/PTSB index ceased to be released. A new CSO index commenced in March 2011, which is being applied from June end 2011 onwards.

4. Seasoning

Seasoning Band	Principal Balance Amount	Principal Balance %	Number	Number %
A. 0 < Months Old <= 24	342,919	0.02%	3	0.02%
C. 48 < Months Old <= 72	247,976,387	13.97%	1,521	9.58%
D. 72 < Months Old <= 96	795,115,213	44.79%	4,979	31.36%
E. 96 < Months Old <= 120	351,349,643	19.79%	2,550	16.06%
F. Months Old > 120	380,232,964	21.42%	6,826	42.99%
<b>Total</b>	<b>1,775,017,126</b>	<b>100.00%</b>	<b>15,879</b>	<b>100.00%</b>

Weighted Average Seasoning: 99.54 Months

EMERALD MORTGAGES NO 5 LTD. INVESTOR REPORT

5. Geographical Location

Property Area	Principal Balance Amount	Principal Balance %	Number	Number %
CARLOW	28,307,004	1.59%	278	1.75%
CAVAN	18,246,992	1.03%	186	1.17%
CLARE	46,526,103	2.62%	491	3.09%
CORK	116,490,762	6.56%	1,183	7.45%
DONEGAL	56,683,882	3.19%	635	4.00%
DUBLIN	607,430,260	34.22%	4,682	29.49%
GALWAY	43,602,187	2.46%	416	2.62%
KERRY	52,489,783	2.96%	545	3.43%
KILDARE	138,338,826	7.79%	1,181	7.44%
KILKENNY	26,714,379	1.51%	264	1.66%
LAOIS	26,948,353	1.52%	247	1.56%
LEITRIM	7,920,570	0.45%	82	0.52%
LIMERICK	77,926,646	4.39%	777	4.89%
LONGFORD	8,996,455	0.51%	109	0.69%
LOUTH	77,895,821	4.39%	780	4.91%
MAYO	22,438,423	1.26%	250	1.57%
MEATH	179,070,810	10.09%	1,392	8.77%
MONAGHAN	8,555,261	0.48%	94	0.59%
OFFALY	13,569,627	0.76%	136	0.86%
ROSCOMMON	11,877,948	0.67%	138	0.87%
SLIGO	17,034,302	0.96%	191	1.20%
TIPPERARY	36,687,725	2.07%	379	2.39%
WATERFORD	30,595,801	1.72%	291	1.83%
WESTMEATH	24,926,435	1.40%	282	1.78%
WEXFORD	30,646,164	1.73%	297	1.87%
WICKLOW	65,096,607	3.67%	573	3.61%
<b>Total</b>	<b>1,775,017,126</b>	<b>100.00%</b>	<b>15,879</b>	<b>100.00%</b>

6a. Interest Rate Description

Interest Rate Description	Principal Balance Amount	Principal Balance %	Number	Number %
Fixed	135,237,944	7.62%	1,088	6.85%
Other*	342,919	0.02%	3	0.02%
Tracker	362,683,183	20.43%	2,348	14.79%
Variable	1,276,753,080	71.93%	12,440	78.34%
<b>Total</b>	<b>1,775,017,126</b>	<b>100.00%</b>	<b>15,879</b>	<b>100.00%</b>

\*"Other" refers to loans on a zero interest rate. These loans are subject to a Mortgage Arrears Resolution Solution and have been processed as a loss via the Principal Deficiency Ledger

6b. Weighted Average Interest Rates

Interest Rate Description	Number	Weighted Average
Fixed	1,088	5.15%
Other	3	0.00%
Tracker	2,348	1.76%
Variable	12,440	4.34%

**EMERALD MORTGAGES NO 5 LTD. INVESTOR REPORT**

**7. Occupancy Status**

Occupancy Status	Principal Balance Amount	Principal Balance %	Number	Number %
<b>BUY TO LET</b>	16,518,333	0.93%	152	0.96%
<b>HOMELOAN</b>	1,758,465,197	99.07%	15,726	99.04%
<b>Mismatch</b>	33,596	0.00%	1	0.01%
<b>Total</b>	1,775,017,126	100.00%	15,879	100.00%

**8. Repayment Status**

Principal Repayment Holiday	Principal Balance Amount	Principal Balance %	Number	Number %
<b>N</b>	1,686,023,181	94.99%	15,232	95.93%
<b>Y</b>	88,993,944	5.01%	647	4.07%
<b>Total</b>	1,775,017,126	100.00%	15,879	100.00%

**ADDITIONAL EMERALD 5 INFORMATION**

**Term Extensions\***

	No of Loans
<b>This Period</b>	16
<b>Since Amendment Period</b>	601

\* May also include extensions at the borrower request as opposed to a specific modification put in place by Credit Management Department.

**Capitalisation of Arrears**

	No of Loans	Amount Capitalised
<b>This Period</b>	4	6,836
<b>Since Amendment Period</b>	218	997,066

**Properties Under Management**

This Period	No of Properties	Principal Balance Amount
Repossessions	-	-
Voluntary Handback	-	-
Abandoned	3	720,709
Sold	2	157,358

Current Status (Active Loans Only)	No of Properties	Principal Balance Amount
Repossessions	-	-
Voluntary Handback	5	967,716
Abandoned	33	6,662,491

Note: From July '11 IPD onwards the 'properties under management' data is being reported on a property basis as opposed to an individual loan basis.

## EMERALD MORTGAGES NO 5 LTD. INVESTOR REPORT

Since Closing (Active and Redeemed Loans)	No of Properties
Repossessions	4
Voluntary Handback	16
Abandoned	34
Sold	23

Note: Includes double counting of properties that progress from one category to another & voluntary sales at a loss

The Servicer hereby represents and warrants that the information provided herein is true, accurate and complete in all material respects and that as of the date of this report. The Servicer is not aware of the occurrence of an Issuer Event of Default or Potential Issuer Event of Default or Relevant Event or Potential Relevant Event.

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Authorised for and on behalf of  
**Emerald Mortgages No 5 Ltd.**

### NOTES:

#### 1. LIQUIDITY AND CREDIT SUPPORT

- (a) Reserve Fund
- (b) Available Revenue Receipts
- (c) Subordination of the Class B Note + Class Z Loan

#### 2. PRIORITY OF PAYMENTS

Revenue and principal payments on Emerald Mortgages No5 Ltd follow through separate payment waterfalls.

##### (a) Revenue funds flow to noteholders according to the following pre-acceleration priority of payments:

1. Satisfaction of Note & Security Trustee fees and expenses
2. Satisfaction of certain senior fees and expenses (Agent Bank, Corp. Services Provider + Account Bank etc.)
3. Satisfaction of Servicer + Cash Manager fees
4. Pay Interest due on Class A Notes
5. Credit Class A Principal Deficiency Ledger to eliminate any debit thereon
6. Credit General Reserve Ledger to required amount
7. Credit Class B Principal Deficiency Ledger (if Class A notes outstanding) to eliminate any debit thereon
8. Credit Class Z Principal Deficiency Ledger (if Class A notes outstanding) to clear the debt thereon
9. Pay Interest due on Class B Notes
10. Credit Class B Principal Deficiency Ledger (if Class A notes redeemed) to eliminate any debit thereon
11. Pay Interest due on Class Z Loan
12. Credit Class Z Principal Deficiency Ledger (if Class A notes redeemed) to clear the debt thereon
13. Pay Interest due on Subordinated Loans
14. Pay Subordinated Loan Principal
15. Pay Deferred Consideration due to Sellers
16. Excess (if any) back to Issuer

##### (b) Pre-Acceleration Payments of Principal

1. Payment of Principal on Class A Notes
2. Payment of Principal on Class B Notes
3. Payment of Principal on Class Z Loan
4. Excess (if any) applied as Available Revenue Receipts

## EMERALD MORTGAGES NO 5 LTD. INVESTOR REPORT

### 3. CONVERSION OF MORTGAGES

The Seller (for itself and on behalf of the Issuer and Issuer Security Trustee) may (but shall not be obliged to) agree to any request by any relevant Mortgage Borrower(s) to convert a Mortgage forming part of the Mortgage Portfolio (or, in the case of a default by a Mortgage Borrower, may (for itself and on behalf of the Issuer and the Issuer Security Trustee) elect to convert such Mortgage) to any other type (or combination of types) of Mortgage (the relevant Mortgage after such Conversion being herein referred to as a Converted Mortgage Loan) provided that the following conditions are satisfied:

- (a) the Conversion of such Mortgage is effected by such means as would be adopted at the relevant time by EBS were such Conversion in respect of a mortgage advanced by it which is not a Mortgage for the purpose of ensuring the validity and priority of the Converted Mortgage Loan;
- (b) prior to each type or combination of types of Conversion being made available to Mortgage Borrower(s), the Rating Agencies having been notified of the inclusion of such Converted Mortgage Loans in the Mortgage Portfolio and such notification not having resulted in a downgrade of the then current rating of the Class A Bonds, provided that such notification is not required where the Converted Mortgage Loan is of a type or combination of types included in the Mortgage Portfolio at the Amendment Date or which has been notified to the Rating Agencies after the Amendment Date;
- (c) no Relevant Event has occurred which has not been cured within the permitted grace periods and which is continuing and no Issuer Enforcement Notice has been served;
- (d) no Issuer Event of Default is continuing;
- (e) the Cash Manager is not aware that the current ratings of the Bonds then outstanding would be downgraded, withdrawn or qualified as a result of the relevant Conversion remaining in or forming part of the Mortgage Portfolio;
- (f) each Mortgage Loan and its Related Security which is the subject of a Conversion complies at the date of such Conversion with the Mortgage Warranties (as if references in the Mortgage Warranties to the "Mortgage Loan" are to the "Converted Mortgage Loan");
- (g) the yield on the Conversion is greater than 2.50 per cent. per annum and subject to all applicable laws, rules and guidelines relating to the Mortgages and to EBS;
- (h) the current principal balance of Buy-to-Let Loans divided by the current principal balance of the Mortgage Loans in the Mortgage Portfolio (considering such Conversion) is not more than 1% above the current principal balance of Buy-to-Let Loans divided by the current principal balance of the Mortgage Loans in the Mortgage Portfolio as of the Amendment Date; and
- (i) the current principal balance of Mortgage Loans with an interest-only part divided by the current principal balance of the Mortgage Loans in the Mortgage Portfolio (considering such Conversion) is not more than 3% above the current principal balance of loans with an interest-only part divided by the current principal balance of the Mortgage Loans in the Mortgage Portfolio as of the Amendment Date].